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BEFORE THE ARIZ

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AZ CORP COMMISSION

Arizona Corporation Commission

DOCKETED

Nov 10 10 40 AM '98

JIM IRVIN
COMMISSIONER-CHAIRMAN
RENZ D. JENNINGS
COMMISSIONER
CARL J. KUNASEK
COMMISSIONER

NOV 10 1998

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DOCKETED BY

IN THE MATTER OF THE APPLICATION
OF TUCSON ELECTRIC POWER COMPANY
FOR APPROVAL OF ITS STRANDED COST
RECOVERY.

DOCKET NO. E-01933A-98-0471

IN THE MATTER OF THE FILING OF TUCSON
ELECTRIC POWER COMPANY OF
UNBUNDLED TARIFFS PURSUANT TO
A.A.C. R14-2-1601 et seq.

DOCKET NO. E-01933A-97-0772

IN THE MATTER OF COMPETITION IN THE
PROVISIONS OF ELECTRIC SERVICES
THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. RE-00000C-94-165

CALPINE'S COMMENTS TO
STAFF'S REQUEST FOR
PROCEDURAL ORDER

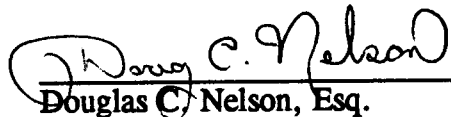
The Commission's Staff proposes an expedited evidentiary hearing within ten days and with virtually no opportunity for analysis of the proposed settlement agreement. Before any competitor may evaluate the consequences on the Arizona electric market, it must have sufficient time and data in which to complete its investigation. Adequate time for discovery is also required. Meaningful comments, such as on the financial and economic impacts on consumers and competitors, can not be made within this short time frame. Furthermore, an economic analysis of this proposed agreement, particularly as to its consequences on consumers and competitors, should be prepared by Commission Staff and distributed to all intervenors before the discovery period expires.

The evidentiary hearing should be continued until such time as (a) Staff files an economic analysis of the proposed settlement agreement on consumers and competitors, (b) all appropriate discovery has been completed, (c) a prehearing conference has been held, and (d) all parties and their experts may have a reasonable opportunity to assess the consequences and present their

1 informed comments and prepare for direct and cross-examination. The commencement of
2 competition on January 1, 1999 does not have to be delayed, nor does this proposed agreement
3 need to be approved prior to the commencement of electric competition. Arizona Public Service
4 Company and Tucson Electric Power Company should not be granted special competitive
5 advantages by withholding their unbundled rates and in turn be rewarded by discouraging others
6 from competing in the Arizona market by imposing a high and anticompetitive Competitive
7 Transition Charge and by giving competitors virtually no opportunity to assess the consequences
8 of this agreement on their marketing opportunities.

9 DATED this 10th day of November, 1998.

10 DOUGLAS C. NELSON, P.C.

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12 
13 Douglas C. Nelson, Esq.

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15 Phoenix, Arizona 85020

16 Attorney on behalf of Calpine Power Services

17 ORIGINAL and ten copies of the foregoing
18 were filed this 10th day of November, 1998 with:

19 Docket Control Division
20 Arizona Corporation Commission
21 1200 West Washington
22 Phoenix, Arizona 85007

23 COPIES of the foregoing were *hand-delivered*
24 this 10th day of November, 1998 to:

25 Jerry L. Rudibaugh, Chief Hearing Officer
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Phoenix, Arizona 85007

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2 Arizona Corporation Commission
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7
8 COPIES of the foregoing were *mailed*
this 10th day of November, 1998 to:

9 Service List for Docket No. RE-00000C-94-165

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11
12 By *Vern Gress*